

MISSOURI WORKS PROGRAM

Facilitate the creation of quality jobs by targeted business projects.

Authorization

Sections 620.2000 to 620.2020

Eligible Applicants

- For-Profit or non-profit businesses.
- Not Eligible: Gambling establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or healthcare and social services.
- Not Eligible: Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
- Not Eligible: Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
- Eligible: Headquarters, administrative, or research and development offices of otherwise excluded businesses that serve a multi-state area.

Eligibility Criteria

Program	Minimum New Jobs	Minimum New Private Capital Investment	Minimum Average Wage	Automatic Benefit
Zone Works (Note 1)	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Rural Works (Note 2)	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years (Note 3)
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years (Note 3)

“WH” means the retention of the state withholding tax of the new jobs

Note 1: Project facility must be located in an Enhanced Enterprise Zone.

Note 2: Project facility must be located in a “rural” county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.

Note 3: Benefit period is 5 years, or 6 years for existing Missouri companies (those that have been operational in Missouri for at least 10 years).

In addition to the Automatic Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, limited to the net state fiscal benefit. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company’s commitment;
- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percent of local incentives committed to the project.

Program Benefits

Program benefits are (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

“New jobs” are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the “base employment”.

“Base Employment” is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly.

Funding Limits

There is no annual limit on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$106 million for FY2014, \$111 million for FY2015, and \$116 million for 2016 forward.

Attributes of the Tax Credits

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax). Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of intent ("NOI"), none of the following can have occurred:

- Significant, project-specific site work at the project facility.
- Purchased machinery or equipment related to the project.
- Publicly announced its intention to make new capital investment at the project facility.

Upon receipt of the proposal/NOI, DED will:

- Confirm the business is eligible;
- Establish the date at which "base employment" is calculated;
- Reserve the estimated tax credits for the project; and
- Establish the 2-year "deadline" date by which the minimum thresholds for the creation of the new jobs, investment, etc must be met.

Reporting Requirements

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits may cease for the remainder of the benefit period. The Tax Credit Accountability Act Reporting Form must be submitted to the Department of Revenue by June 30th each year the company receives tax credits and for the three years following the issuance of the tax credits.

Special Program Requirements

A business cannot simultaneously receive benefits for the same capital investment or the same jobs for the following programs:

- Rebuilding Communities
- Development Tax Credit
- Enhanced Enterprise Zone
- Quality Jobs
- Manufacturing Jobs

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (Missouri Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income (AGI):

- AGI of \$15-20,000 1.27%
- AGI of \$20-25,000 1.82%
- AGI of \$25-30,000 2.29%
- AGI of \$30-35,000 2.63%
- AGI of \$35-40,000 2.85%
- AGI of \$40-45,000 3.00%
- AGI of \$45-50,000 3.11%
- AGI of \$50-55,000 3.21%
- AGI of \$55-60,000 3.31%
- AGI of \$60-65,000 3.40%
- AGI of \$65-70,000 3.49%
- AGI of \$70-75,000 3.57%
- AGI of \$75-100,000 3.78%
- AGI of \$100-200,000 4.29%
- AGI of \$200-500,000 4.82%

Contact

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County average wages (effective until 6/30/2020):

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$31,710	GRUNDY	\$36,171	PERRY	\$37,907
ANDREW	\$33,459	HARRISON	\$29,041	PETTIS	\$34,448
ATCHISON	\$32,225	HENRY	\$34,320	HELPS	\$36,040
AUDRAIN	\$36,336	HICKORY	\$24,416	PIKE	\$32,366
BARRY	\$39,548	HOLT	\$37,956	PLATTE	\$46,961
BARTON	\$31,932	HOWARD	\$31,757	POLK	\$30,965
BATES	\$32,126	HOWELL	\$33,019	PULASKI	\$28,066
BENTON	\$28,149	IRON	\$40,698	PUTNAM	\$25,581
BOLLINGER	\$29,588	JACKSON	\$49,586	RALLS	\$45,761
BOONE	\$39,186	JASPER	\$39,816	RANDOLPH	\$37,693
BUCHANAN	\$45,012	JEFFERSON	\$37,287	RAY	\$36,223
BUTLER	\$32,167	JOHNSON	\$31,832	REYNOLDS	\$35,798
CALDWELL	\$33,494	KNOX	\$28,283	RIPLEY	\$22,059
CALLAWAY	\$45,239	LACLEDE	\$34,328	SALINE	\$35,921
CAMDEN	\$33,179	LAFAYETTE	\$32,518	SCHUYLER	\$26,499
CAPE GIRARDEAU	\$40,625	LAWRENCE	\$36,541	SCOTLAND	\$26,168
CARROLL	\$33,712	LEWIS	\$33,189	SCOTT	\$36,892
CARTER	\$23,819	LINCOLN	\$39,850	SHANNON	\$24,432
CASS	\$35,405	LINN	\$35,441	SHELBY	\$30,823
CEDAR	\$26,462	LIVINGSTON	\$33,704	ST CHARLES	\$45,889
CHARITON	\$31,915	MACON	\$31,423	ST LOUIS CITY	\$49,586
CHRISTIAN	\$32,150	MADISON	\$29,323	ST LOUIS CO	\$49,586
CLARK	\$25,468	MARIES	\$32,009	ST. CLAIR	\$25,269
CLAY	\$48,500	MARION	\$37,700	ST. FRANCOIS	\$31,494
CLINTON	\$34,115	MCDONALD	\$35,575	STE. GENEVIEVE	\$43,648
COLE	\$41,270	MERCER	\$35,769	STODDARD	\$36,891
COOPER	\$32,779	MILLER	\$31,513	STONE	\$29,198
CRAWFORD	\$37,082	MISSISSIPPI	\$30,929	SULLIVAN	\$41,797
DADE	\$30,966	MONITEAU	\$35,203	TANEY	\$30,760
DALLAS	\$23,888	MONROE	\$31,933	TEXAS	\$28,863
DAVISS	\$28,389	MONTGOMERY	\$35,055	VERNON	\$37,174
DEKALB	\$34,040	MORGAN	\$28,551	WARREN	\$38,415
DENT	\$28,606	NEW MADRID	\$35,359	WASHINGTON	\$26,605
DOUGLAS	\$26,084	NEWTON	\$40,758	WAYNE	\$23,686
DUNKLIN	\$26,386	NODAWAY	\$35,484	WEBSTER	\$33,138
FRANKLIN	\$40,553	OREGON	\$23,861	WORTH	\$26,834
GASCONADE	\$29,687	OSAGE	\$36,821	WRIGHT	\$29,753
GENTRY	\$34,470	OZARK	\$24,264	STATEWIDE	\$49,586
GREENE	\$42,907	PEMISCOT	\$27,870		

Statewide average of \$49,586 applicable to any county over the statewide average when determining program eligibility. (Jackson, St. Louis County and City)

The wage represents an average for all private industries.

If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.